



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Caldwell County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Caldwell County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2002-65
August 30, 2002

CALDWELL COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001 AND 2000

CALDWELL COUNTY, MISSOURI

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FINANCIAL SECTION

Independent Auditor's Reports

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

To the State Auditor
and
County Commission of
Caldwell County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Caldwell County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Caldwell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Caldwell County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Caldwell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 29, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

McBride, Lock & Associates

May 29, 2002

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the State Auditor
and
County Commission of
Caldwell County, Missouri

We have audited the special-purpose financial statements of various funds of Caldwell County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 29, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Caldwell County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 01-1, 01-2, 01-3 and 01-4.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Caldwell County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness.

This report is intended for the information of the management of Caldwell County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

May 29, 2002

Financial Statements

CALDWELL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ (101,321)	\$ 942,785	\$ 906,852	\$ (65,388)
Special Road and Bridge	131,981	1,125,639	995,132	262,488
Assessment	(26,807)	154,065	109,118	18,140
Law Enforcement Training	4,058	4,526	4,446	4,138
Prosecuting Attorney Training	125	637	125	637
Health Center	(28,273)	336,603	316,356	(8,026)
Special Road and Bridge Sales Tax	164,311	239,874	250,449	153,736
Law Enforcement Sales Tax	2,241	252,182	253,731	692
Prosecuting Attorney Bad Check	2,692	13,386	12,295	3,783
Law Library	1,049	2,594	1,800	1,843
Domestic Violence	875	882	1,585	172
Sheriff Civil Fees	13,014	7,019	654	19,379
Record Storage	13,914	5,611	2,325	17,200
Circuit Clerk Interest	6,568	1,271	165	7,674
Planning and Zoning	0	17,274	17,274	0
Associate Circuit Division Interest	6,608	904	0	7,512
Prosecuting Attorney Delinquent Tax	2,929	636	0	3,565
Election Services	1,089	1,598	1,875	812
Local Emergency Planning Commission	2,687	0	0	2,687
	<u>\$ 197,740</u>	<u>\$ 3,107,486</u>	<u>\$ 2,874,182</u>	<u>\$ 431,044</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ (55,737)	\$ 811,193	\$ 856,777	\$ (101,321)
Special Road and Bridge	(15,375)	1,077,871	930,515	131,981
Assessment	(6,212)	80,290	100,885	(26,807)
Law Enforcement Training	8,915	5,271	10,128	4,058
Prosecuting Attorney Training	1,310	908	2,093	125
Health Center	58,453	264,031	350,757	(28,273)
Special Road and Bridge Sales Tax	156,369	218,143	210,201	164,311
Law Enforcement Sales Tax	(1,086)	225,786	222,459	2,241
Prosecuting Attorney Bad Check	6,806	11,561	15,675	2,692
Law Library	642	3,188	2,781	1,049
Domestic Violence	580	295	0	875
Crime Victims Investigation	2,879	279	3,158	0
Sheriff Civil Fees	6,224	8,165	1,375	13,014
Record Storage	16,406	4,790	7,282	13,914
Circuit Clerk Interest	5,247	1,430	109	6,568
Planning and Zoning	0	20,996	20,996	0
Associate Circuit Division Interest	5,949	659	0	6,608
Prosecuting Attorney Delinquent Tax	2,151	908	130	2,929
Election Services	0	1,089	0	1,089
Local Emergency Planning Commission	2,687	0	0	2,687
	<u>\$ 196,208</u>	<u>\$ 2,736,853</u>	<u>\$ 2,735,321</u>	<u>\$ 197,740</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$ 2,953,648	\$ 3,106,582	\$ 152,934	\$ 2,179,561	\$ 2,713,201	\$ 533,640
DISBURSEMENTS	2,729,234	2,874,182	(144,948)	2,128,171	2,714,195	(586,024)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 224,414	\$ 232,400	\$ 7,986	\$ 51,390	\$ (994)	\$ (52,384)
CASH, JANUARY 1	188,445	188,445	0	185,421	185,421	0
CASH, DECEMBER 31	<u>\$ 412,859</u>	<u>\$ 420,845</u>	<u>\$ 7,986</u>	<u>\$ 236,811</u>	<u>\$ 184,427</u>	<u>\$ (52,384)</u>
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 61,230	\$ 100,756	\$ 39,526	\$ 33,015	\$ 61,260	\$ 28,245
Sales taxes	220,550	233,294	12,744	220,000	210,587	(9,413)
Intergovernmental	91,740	94,170	2,430	101,310	72,764	(28,546)
Charges for services	115,673	124,604	8,931	158,650	100,678	(57,972)
Interest	2,380	1,905	(475)	2,775	2,387	(388)
Other	301,160	256,363	(44,797)	288,065	262,852	(25,213)
Transfers in	145,903	131,693	(14,210)	103,885	100,665	(3,220)
Total Receipts	<u>\$ 938,636</u>	<u>\$ 942,785</u>	<u>\$ 4,149</u>	<u>\$ 907,700</u>	<u>\$ 811,193</u>	<u>\$ (96,507)</u>
DISBURSEMENTS						
County Commission	\$ 67,227	\$ 69,357	\$ (2,130)	\$ 65,634	\$ 67,672	\$ (2,038)
County Clerk	61,538	65,783	(4,245)	62,613	69,612	(6,999)
Elections	2,500	0	2,500	10,000	0	10,000
Buildings and grounds	41,647	49,112	(7,465)	42,977	42,838	139
Employee fringe benefits	86,000	69,944	16,056	69,960	68,724	1,236
County Treasurer	46,820	47,403	(583)	46,480	44,684	1,796
Circuit Clerk	25,870	33,179	(7,309)	40,755	34,564	6,191
Associate Circuit	10,600	9,351	1,249	13,440	9,994	3,446
Public Administrator	21,402	22,116	(714)	11,400	11,739	(339)
Sheriff	243,002	272,008	(29,006)	234,178	232,004	2,174
Prosecuting Attorney	64,337	78,292	(13,955)	67,437	73,218	(5,781)
Juvenile Officer	11,120	6,830	4,290	11,235	6,404	4,831
County Coroner	8,490	8,267	223	11,490	7,913	3,577
Other	124,602	131,284	(6,682)	121,512	149,549	(28,037)
Transfers out	18,375	43,750	(25,375)	24,159	15,162	8,997
Emergency Fund	3,000	0	3,000	0	0	0
Variance (Note 5)	0	176	(176)	0	22,700	(22,700)
Total Disbursements	<u>\$ 836,530</u>	<u>\$ 906,852</u>	<u>\$ (70,322)</u>	<u>\$ 833,270</u>	<u>\$ 856,777</u>	<u>\$ (23,507)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 102,106	\$ 35,933	\$ (66,173)	\$ 74,430	\$ (45,584)	\$ (120,014)
CASH, JANUARY 1	(101,321)	(101,321)	0	(55,737)	(55,737)	0
CASH, DECEMBER 31	<u>\$ 785</u>	<u>\$ (65,388)</u>	<u>\$ (66,173)</u>	<u>\$ 18,693</u>	<u>\$ (101,321)</u>	<u>\$ (120,014)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 35,685	\$ 40,910	\$ 5,225	\$ 33,135	\$ 35,695	\$ 2,560
Sales taxes	82,000	93,799	11,799	66,025	82,400	16,375
Intergovernmental	410,250	402,000	(8,250)	286,500	414,465	127,965
Charges for services	0	0	0	0	2,225	2,225
Interest	6,725	9,713	2,988	7,125	7,336	211
Other	534,250	579,217	44,967	145,310	535,750	390,440
Total Receipts	\$ 1,068,910	\$ 1,125,639	\$ 56,729	\$ 538,095	\$ 1,077,871	\$ 539,776
DISBURSEMENTS						
Salaries	\$ 123,711	\$ 105,541	\$ 18,170	\$ 126,984	\$ 123,711	\$ 3,273
Employee fringe benefits	19,659	20,537	(878)	29,375	16,735	12,640
Supplies	36,825	38,080	(1,255)	38,050	40,152	(2,102)
Insurance	7,600	9,594	(1,994)	0	8,257	(8,257)
Road and bridge materials	176,700	156,845	19,855	180,705	176,806	3,899
Equipment repairs	15,000	39,503	(24,503)	15,000	50,712	(35,712)
Rentals	0	0	0	100	1,196	(1,096)
Equipment purchases	3,000	4,046	(1,046)	15,000	3,080	11,920
Construction, repair, and maintenance	576,665	582,764	(6,099)	73,920	444,806	(370,886)
Other	2,550	2,872	(322)	4,768	49,316	(44,548)
Transfers out	28,824	37,890	(9,066)	38,425	15,670	22,755
Variance (Note 5)	0	(2,540)	2,540	0	74	(74)
Total Disbursements	\$ 990,534	\$ 995,132	\$ (4,598)	\$ 522,327	\$ 930,515	\$ (408,188)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 78,376	\$ 130,507	\$ 52,131	\$ 15,768	\$ 147,356	\$ 131,588
CASH, JANUARY 1	131,981	131,981	0	(15,375)	(15,375)	0
CASH, DECEMBER 31	\$ 210,357	\$ 262,488	\$ 52,131	\$ 393	\$ 131,981	\$ 131,588
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 87,520	\$ 91,958	\$ 4,438	\$ 85,450	\$ 77,656	\$ (7,794)
Charges for services	1,490	640	(850)	700	1,492	792
Interest	285	324	39	180	286	106
Other	850	61,143	60,293	0	856	856
Transfers in	13,500	0	(13,500)	19,659	0	(19,659)
Total Receipts	\$ 103,645	\$ 154,065	\$ 50,420	\$ 105,989	\$ 80,290	\$ (25,699)
DISBURSEMENTS						
Assessor	\$ 88,525	\$ 109,480	\$ (20,955)	\$ 99,621	\$ 103,948	\$ (4,327)
Variance (Note 5)	\$ 0	\$ (362)	\$ 362	\$ 0	\$ (3,063)	\$ 3,063
Total Disbursements	\$ 88,525	\$ 109,118	\$ (20,593)	\$ 99,621	\$ 100,885	\$ (1,264)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 15,120	\$ 44,947	\$ 29,827	\$ 6,368	\$ (20,595)	\$ (26,963)
CASH, JANUARY 1	(26,807)	(26,807)	0	(6,212)	(6,212)	0
CASH, DECEMBER 31	\$ (11,687)	\$ 18,140	\$ 29,827	\$ 156	\$ (26,807)	\$ (26,963)

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 5,200	\$ 4,526	\$ (674)	\$ 8,000	\$ 5,271	\$ (2,729)
Total Receipts	\$ 5,200	\$ 4,526	\$ (674)	\$ 8,000	\$ 5,271	\$ (2,729)
DISBURSEMENTS						
Sheriff	\$ 9,200	\$ 4,446	\$ 4,754	\$ 6,000	\$ 10,128	\$ (4,128)
Total Disbursements	\$ 9,200	\$ 4,446	\$ 4,754	\$ 6,000	\$ 10,128	\$ (4,128)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,000)	\$ 80	\$ 4,080	\$ 2,000	\$ (4,857)	\$ (6,857)
CASH, JANUARY 1	4,058	4,058	0	8,915	8,915	0
CASH, DECEMBER 31	\$ 58	\$ 4,138	\$ 4,080	\$ 10,915	\$ 4,058	\$ (6,857)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 910	\$ 637	\$ (273)	\$ 950	\$ 778	\$ (172)
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 130	\$ 130
Total Receipts	\$ 910	\$ 637	\$ (273)	\$ 950	\$ 908	\$ (42)
DISBURSEMENTS						
Prosecuting Attorney	\$ 1,000	\$ 125	\$ 875	\$ 950	\$ 2,093	\$ (1,143)
Total Disbursements	\$ 1,000	\$ 125	\$ 875	\$ 950	\$ 2,093	\$ (1,143)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (90)	\$ 512	\$ 602	\$ 0	\$ (1,185)	\$ (1,185)
CASH, JANUARY 1	125	125	0	1,310	1,310	0
CASH, DECEMBER 31	\$ 35	\$ 637	\$ 602	\$ 1,310	\$ 125	\$ (1,185)
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	\$ 103,000	\$ 105,914	\$ 2,914	\$ 102,000	\$ 103,017	\$ 1,017
Intergovernmental	103,882	110,019	6,137	99,702	100,516	814
Charges for services	38,875	55,268	16,393	17,325	37,934	20,609
Interest	500	630	130	3,700	4,807	1,107
Other	82,150	64,772	(17,378)	2,450	17,757	15,307
Total Receipts	\$ 328,407	\$ 336,603	\$ 8,196	\$ 225,177	\$ 264,031	\$ 38,854
DISBURSEMENTS						
Salaries	\$ 174,036	\$ 170,432	\$ 3,604	\$ 138,481	\$ 151,774	\$ (13,293)
Office expenditures	56,884	66,086	(9,202)	59,315	50,923	8,392
Equipment	3,850	999	2,851	3,700	584	3,116
Mileage and training	10,450	15,930	(5,480)	10,410	11,994	(1,584)
Other	83,187	62,909	20,278	71,724	135,482	(63,758)
Total Disbursements	\$ 328,407	\$ 316,356	\$ 12,051	\$ 283,630	\$ 350,757	\$ (67,127)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 20,247	\$ 20,247	\$ (58,453)	\$ (86,726)	\$ (28,273)
CASH, JANUARY 1	(28,273)	(28,273)	0	58,453	58,453	0
CASH, DECEMBER 31	\$ (28,273)	\$ (8,026)	\$ 20,247	\$ 0	\$ (28,273)	\$ (28,273)

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ 220,550	\$ 233,658	\$ 13,108	\$ 160,650	\$ 213,000	\$ 52,350
Interest	4,575	4,422	(153)	3,500	5,143	1,643
Other	0	1,794	1,794	0	0	0
Total Receipts	\$ 225,125	\$ 239,874	\$ 14,749	\$ 164,150	\$ 218,143	\$ 53,993
DISBURSEMENTS						
Gravel to Townships	\$ 190,500	\$ 231,412	\$ (40,912)	\$ 150,000	\$ 209,296	\$ (59,296)
Transfers out	0	19,030	(19,030)	0	0	0
Other	0	7	(7)	0	905	(905)
Total Disbursements	\$ 190,500	\$ 250,449	\$ (59,949)	\$ 150,000	\$ 210,201	\$ (60,201)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 34,625	\$ (10,575)	\$ (45,200)	\$ 14,150	\$ 7,942	\$ (6,208)
CASH, JANUARY 1	164,311	164,311	0	156,369	156,369	0
CASH, DECEMBER 31	\$ 198,936	\$ 153,736	\$ (45,200)	\$ 170,519	\$ 164,311	\$ (6,208)
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ 220,550	\$ 241,119	\$ 20,569	\$ 199,100	\$ 211,003	\$ 11,903
Interest	450	481	31	475	452	(23)
Other	14,000	10,582	(3,418)	1,075	14,331	13,256
Total Receipts	\$ 235,000	\$ 252,182	\$ 17,182	\$ 200,650	\$ 225,786	\$ 25,136
DISBURSEMENTS						
Office expenditures	\$ 17,360	\$ 22,670	\$ (5,310)	\$ 15,450	\$ 21,794	\$ (6,344)
Insurance	143,609	73,698	69,911	85,822	47,650	38,172
Building maintenance	150	0	150	0	0	0
Mileage and training	4,150	3,991	159	5,150	4,079	1,071
Jail	69,719	95,905	(26,186)	87,742	88,937	(1,195)
Vehicles	0	0	0	6,300	0	6,300
Transfers out	0	57,500	(57,500)	0	60,000	(60,000)
Variance (Note 5)	0	(33)	33	0	(1)	1
Total Disbursements	\$ 234,988	\$ 253,731	\$ (18,743)	\$ 200,464	\$ 222,459	\$ (21,995)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 12	\$ (1,549)	\$ (1,561)	\$ 186	\$ 3,327	\$ 3,141
CASH, JANUARY 1	2,241	2,241	0	(1,086)	(1,086)	0
CASH, DECEMBER 31	\$ 2,253	\$ 692	\$ (1,561)	\$ (900)	\$ 2,241	\$ 3,141
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 13,386	\$ 3,386	\$ 12,000	\$ 11,561	\$ (439)
Total Receipts	\$ 10,000	\$ 13,386	\$ 3,386	\$ 12,000	\$ 11,561	\$ (439)
DISBURSEMENTS						
Prosecuting Attorney	\$ 7,500	\$ 12,295	\$ (4,795)	\$ 9,000	\$ 15,675	\$ (6,675)
Total Disbursements	\$ 7,500	\$ 12,295	\$ (4,795)	\$ 9,000	\$ 15,675	\$ (6,675)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,500	\$ 1,091	\$ (1,409)	\$ 3,000	\$ (4,114)	\$ (7,114)
CASH, JANUARY 1	2,692	2,692	0	6,806	6,806	0
CASH, DECEMBER 31	\$ 5,192	\$ 3,783	\$ (1,409)	\$ 9,806	\$ 2,692	\$ (7,114)

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	\$ 2,750	\$ 2,594	\$ (156)	\$ 2,000	\$ 3,188	\$ 1,188
Total Receipts	\$ 2,750	\$ 2,594	\$ (156)	\$ 2,000	\$ 3,188	\$ 1,188
DISBURSEMENTS						
Publications	\$ 3,250	\$ 1,800	\$ 1,450	\$ 2,600	\$ 2,781	\$ (181)
Total Disbursements	\$ 3,250	\$ 1,800	\$ 1,450	\$ 2,600	\$ 2,781	\$ (181)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ 794	\$ 1,294	\$ (600)	\$ 407	\$ 1,007
CASH, JANUARY 1	1,049	1,049	0	642	642	0
CASH, DECEMBER 31	\$ 549	\$ 1,843	\$ 1,294	\$ 42	\$ 1,049	\$ 1,007
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 300	\$ 882	\$ 582	\$ 250	\$ 295	\$ 45
Total Receipts	\$ 300	\$ 882	\$ 582	\$ 250	\$ 295	\$ 45
DISBURSEMENTS						
Abuse Shelter	\$ 1,175	\$ 1,585	\$ (410)	\$ 830	\$ 0	\$ 830
Total Disbursements	\$ 1,175	\$ 1,585	\$ (410)	\$ 830	\$ 0	\$ 830
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (875)	\$ (703)	\$ 172	\$ (580)	\$ 295	\$ 875
CASH, JANUARY 1	875	875	0	580	580	0
CASH, DECEMBER 31	\$ 0	\$ 172	\$ 172	\$ 0	\$ 875	\$ 875
<u>CRIME VICTIMS INVESTIGATION FUND</u>						
RECEIPTS						
Charges for services				\$ 0	\$ 273	\$ 273
Interest				0	6	6
Total Receipts				\$ 0	\$ 279	\$ 279
DISBURSEMENTS						
Law books and supplies				\$ 2,879	\$ 3,139	\$ (260)
Other				\$ 0	\$ 19	\$ (19)
Total Disbursements				\$ 2,879	\$ 3,158	\$ (279)
RECEIPTS OVER (UNDER) DISBURSEMENTS				\$ (2,879)	\$ (2,879)	\$ 0
CASH, JANUARY 1				2,879	2,879	0
CASH, DECEMBER 31				\$ 0	\$ 0	\$ 0

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Charges for services	\$ 8,100	\$ 7,019	\$ (1,081)	\$ 6,500	\$ 8,165	\$ 1,665
Total Receipts	\$ 8,100	\$ 7,019	\$ (1,081)	\$ 6,500	\$ 8,165	\$ 1,665
DISBURSEMENTS						
Sheriff	\$ 13,000	\$ 654	\$ 12,346	\$ 6,000	\$ 1,375	\$ 4,625
Total Disbursements	\$ 13,000	\$ 654	\$ 12,346	\$ 6,000	\$ 1,375	\$ 4,625
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,900)	\$ 6,365	\$ 11,265	\$ 500	\$ 6,790	\$ 6,290
CASH, JANUARY 1	13,014	13,014	0	6,224	6,224	0
CASH, DECEMBER 31	\$ 8,114	\$ 19,379	\$ 11,265	\$ 6,724	\$ 13,014	\$ 6,290
<u>RECORD STORAGE FUND</u>						
RECEIPTS						
Charges for services	\$ 4,400	\$ 5,611	\$ 1,211	\$ 5,100	\$ 4,493	\$ (607)
Interest	290	0	(290)	0	297	297
Total Receipts	\$ 4,690	\$ 5,611	\$ 921	\$ 5,100	\$ 4,790	\$ (310)
DISBURSEMENTS						
Office supplies	\$ 1,800	\$ 2,325	\$ (525)	\$ 6,600	\$ 3,282	\$ 3,318
Transfer out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,000	\$ (4,000)
Total Disbursements	\$ 1,800	\$ 2,325	\$ (525)	\$ 6,600	\$ 7,282	\$ (682)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,890	\$ 3,286	\$ 396	\$ (1,500)	\$ (2,492)	\$ (992)
CASH, JANUARY 1	13,914	13,914	0	16,406	16,406	0
CASH, DECEMBER 31	\$ 16,804	\$ 17,200	\$ 396	\$ 14,906	\$ 13,914	\$ (992)
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	\$ 1,000	\$ 1,271	\$ 271	\$ 3,000	\$ 1,430	\$ (1,570)
Total Receipts	\$ 1,000	\$ 1,271	\$ 271	\$ 3,000	\$ 1,430	\$ (1,570)
DISBURSEMENTS						
Office supplies	\$ 1,500	\$ 165	\$ 1,335	\$ 4,000	\$ 109	\$ 3,891
Total Disbursements	\$ 1,500	\$ 165	\$ 1,335	\$ 4,000	\$ 109	\$ 3,891
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ 1,106	\$ 1,606	\$ (1,000)	\$ 1,321	\$ 2,321
CASH, JANUARY 1	6,568	6,568	0	5,247	5,247	0
CASH, DECEMBER 31	\$ 6,068	\$ 7,674	\$ 1,606	\$ 4,247	\$ 6,568	\$ 2,321

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,		
	2001		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>PLANNING AND ZONING FUND</u>			
RECEIPTS			
Charges for services	\$ 19,575	\$ 17,274	\$ (2,301)
Total Receipts	\$ 19,575	\$ 17,274	\$ (2,301)
DISBURSEMENTS			
Transfers out	\$ 19,575	\$ 17,274	\$ 2,301
Total Disbursements	\$ 19,575	\$ 17,274	\$ 2,301
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 0	\$ 0	\$ 0
<u>PROSECUTING ATTY DELINQUENT TAX FUND</u>			
RECEIPTS			
Other	\$ 900	\$ 636	\$ (264)
Total Receipts	\$ 900	\$ 636	\$ (264)
DISBURSEMENTS			
Other	\$ 750	\$ 0	\$ 750
Total Disbursements	\$ 750	\$ 0	\$ 750
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 150	\$ 636	\$ 486
CASH, JANUARY 1	2,929	2,929	0
CASH, DECEMBER 31	\$ 3,079	\$ 3,565	\$ 486
<u>ELECTION SERVICES FUND</u>			
RECEIPTS			
Other	\$ 500	\$ 1,598	\$ 1,098
Total Receipts	\$ 500	\$ 1,598	\$ 1,098
DISBURSEMENTS			
Other	\$ 1,000	\$ 1,875	\$ (875)
Total Disbursements	\$ 1,000	\$ 1,875	\$ (875)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ (277)	\$ 223
CASH, JANUARY 1	1,089	1,089	0
CASH, DECEMBER 31	\$ 589	\$ 812	\$ 223

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

CALDWELL COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Caldwell County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Associate Circuit	
Division Interest Fund	2001 and 2000
Prosecuting Attorney	
Delinquent Tax Fund	2000
Local Emergency	
Planning Commission Fund	2001 and 2000
Election Services Fund	2000
Planning and Zoning Fund	2000

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	2001 and 2000
Special Road and Bridge Fund	2001 and 2000
Assessment Fund	2001 and 2000
Law Enforcement Training Fund	2000
Prosecuting Attorney Training Fund	2000
Health Center	2000
Special Road and Bridge Sales Tax Fund	2000
Law Enforcement Sales Tax Fund	2001 and 2000
Prosecuting Attorney Bad Check Fund	2001 and 2000
Law Library Fund	2000
Domestic Violence Fund	2001
Crime Victim Investigation Fund	2000
Record Storage Fund	2001 and 2000
Election Services Fund	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

Deficit budget balances are presented for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Assessment Fund	2001
Law Enforcement Sales Tax Fund	2000

However, the budgets of those funds also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Health Center Fund for the year ended December 31, 2001.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

Fund	Years Ended December 31,
Law Enforcement Training Fund	2001 and 2000
Prosecuting Attorney Training Fund	2001 and 2000
Special Road and Bridge Sales Tax Fund	2001 and 2000
Prosecuting Attorney Bad Check Fund	2001 and 2000
Law Library Fund	2001 and 2000
Domestic Violence Fund	2001 and 2000
Sheriff Civil Fees Fund	2001 and 2000
Record Storage Fund	2001 and 2000
Circuit Clerk Interest Fund	2001 and 2000
Planning and Zoning Fund	2001 and 2000
Associate Circuit Interest Fund	2001 and 2000
Prosecuting Attorney Delinquent Tax Fund	2001 and 2000
Election Services Fund	2001 and 2000
Local Emergency Planning Commission Fund	2001 and 2000
Crime Victims Investigation Fund	2000

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depository insurance or by collateral securities held by the escrow bank in the county's name.

The financial statements do not include the cash balances of the Ex Officio County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the Ex Officio County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depositary insurance are pledged to the county rather than to specific county officials.

To protect the safety of county deposits, Section 110.020, RSMo 2000 requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Property Taxes

Through December 31, 2001, Caldwell County collected \$48,101 in excess property taxes. Section 67.505, RSMo 2000, requires the county to reduce property taxes for a percentage of sales taxes collected. Caldwell County voters enacted a one-half cent sales tax with a provision to reduce property taxes by fifty percent of sales taxes collected. Tax levies were not reduced sufficiently for actual sales tax collections. See finding 01-2.

4. Prior Period Adjustment

The General Revenue Fund's cash balance at January 1, 2000, as previously stated has been decreased by \$24,736 to reflect a correction of the 1998 Planning and Zoning expenditures reported.

5. Variances

The variances reported are the differences between disbursements according to the County Clerk and Treasurer registers and the amount necessary for ending cash to equal the Treasurer's final settlement less outstanding warrants. See finding 01-1.

Supplementary Schedule

CALDWELL COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2001	2000
	U.S. DEPARTMENT OF AGRICULTURE			
10.599	Passed through state Department of Health - Summer Food Program for Children	EPS-146-0112I	\$ 0	\$ 57
	U.S. DEPARTMENT OF JUSTICE			
	Direct programs:			
16.710	Public Safety Partnership and Community Policing Grants	97UMWX0535	0	6,560
	Passed through:			
16.575	State Department of Public Safety - Crime Victim Assistance	VOCA-0006 VOCA-0008	26,505 7,977	4,712 0
	Program total		<u>34,482</u>	<u>4,712</u>
16.unknown	Missouri Sheriffs' Association - Domestic Cannabis Eradication/Suppression Program	N/A	1,089	808
16.unknown	State Department of Health - Survey on Emergency Preparedness	TE-CX0177DOJ	0	500
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission:			
20.205	Highway Planning and Construction	BRO-013(16) BRO-013(18) BRO-013(19) BRO-013(20)	199,028 155,323 113,703 8,391	191,865 32,700 20,763 26,609
	Program total		<u>476,445</u>	<u>271,937</u>
	FEDERAL EMERGENCY MANAGEMENT AGENCY			
83.544	Passed through state Department of Public Safety: Public Assistance Grants	N/A	0	49,086
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Health -			
93.268	Immunization Grants	N/A	7,579	11,231
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	314	701
	Department of Health -			
93.575	Child Care and Development Block Grant	PGA067-0112S PGA067-1112S PGA067-2112S PGA067-0112C PGA067-1112C PGA067-2112C	0 240 160 0 1,123 440	570 80 0 975 165 0
	Program total		<u>1,963</u>	<u>1,790</u>
93.991	Preventive Health and Health Services Block Grant	N/A	0	134
93.994	Maternal and Child Health Services Block Grant to the States	N/A ERS146-0112M ERS146-1112M	853 0 15,196	669 6,962 2,690
	Program total		<u>16,049</u>	<u>10,321</u>
	Total Expenditures of Federal Awards		<u>\$ 537,921</u>	<u>\$ 357,837</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

CALDWELL COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Caldwell County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions which govern the contents of this schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

The program amount for Immunization Grants (CFDA number 93.268), \$11,231 represents the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the year ended December 31, 2000. Of the amount for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$134 represents the original acquisition cost of vaccines received by the Health Center through the state

Department of Health during the year ended December 31, 2000. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$853 and \$669 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2001 and 2000. The remaining amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$45,191 to the Townships under the Public Assistance Grant (CFDA number 83.544) during the year ended December 31, 2000.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

Independent Auditor's Reports

McBRIDE, LOOK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the State Auditor
and
County Commission of
Caldwell County, Missouri

Compliance

We have audited the compliance of Caldwell County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2001 and 2000. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Caldwell County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2001 and 2000.

Internal Control Over Compliance

The management of Caldwell County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Caldwell County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Original Signed by Auditor

McBride, Lock & Associates

May 29, 2002

Schedule

CALDWELL COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2001 AND 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? X yes no

Reportable condition identified that is
not considered to be a material weakness? yes X none reported

Noncompliance material to the financial statements
noted? X yes no

Federal Awards

Internal control over major program:

Material weakness identified? yes X no

Reportable condition identified that is
not considered to be a material weakness? X yes none reported

Type of auditor's report issued on compliance for
major program: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? X yes no

Identification of major program:

CFDA or Other Identifying Number	Program Title
--	---------------

20.205	Highway Planning and Construction
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Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

Section II - Financial Statement Findings

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

01-1 Budgetary and Reconciliation Controls

As disclosed in Note 5 to the financial statements, variance amounts are reported in Exhibit B in order for the statements to be mathematically accurate as follows:

	<u>General Revenue</u>	<u>Road & Bridge</u>	<u>Assessment</u>	<u>Law Enforcement Sales Tax</u>
2000:				
Expenditures per payroll and distribution registers	\$817,676	\$869,483	\$103,926	\$162,404
Treasurer's disbursements not recorded by County Clerk	<u>16,401</u>	<u>60,958</u>	<u>22</u>	<u>60,056</u>
Total expenditures	\$834,077	\$930,441	\$103,948	\$222,460
Variance	<u>22,700</u>	<u>74</u>	<u>(3,063)</u>	<u>(1)</u>
Expenditures necessary *	<u><u>\$856,777</u></u>	<u><u>\$930,515</u></u>	<u><u>\$100,885</u></u>	<u><u>\$222,459</u></u>
2001:				
Expenditures per payroll and distribution registers	\$895,743	\$959,687	\$109,448	\$196,204
Treasurer's disbursements not recorded by County Clerk	<u>10,933</u>	<u>37,985</u>	<u>32</u>	<u>57,560</u>
Total expenditures	\$906,676	\$997,672	\$109,480	\$253,764
Variance	<u>176</u>	<u>(2,540)</u>	<u>(362)</u>	<u>(33)</u>
Expenditures necessary *	<u><u>\$906,852</u></u>	<u><u>\$995,132</u></u>	<u><u>\$109,118</u></u>	<u><u>\$253,731</u></u>

* Expenditures necessary for ending cash balances to equal the County Treasurer's final settlements less warrants outstanding.

These variances are caused by the following:

The county does not maintain a general ledger. The County Clerk does maintain manual warrant, payroll and distribution of expenditures registers. However, variances were noted for some funds disbursements between the warrant register and the disbursements according to the payroll and distribution of expenditures registers as follows:

	<u>Warrant Register</u>	<u>Payroll and Distribution Registers</u>	<u>Variance</u>
2000:			
General Revenue	\$844,014	\$817,676	\$26,338
Road & Bridge	869,638	869,483	155
Assessment	100,863	103,926	(3,063)
Law Enforcement Sales Tax	162,403	162,404	(1)
2001:			
General Revenue	\$897,474	\$895,743	\$1,731
Road & Bridge	959,402	959,687	(285)
Assessment	109,086	109,448	(362)
Law Enforcement Sales Tax	196,171	196,204	(33)

The county is required to report actual cash balances, receipts and disbursements in the budget documents submitted to the State. However, the budget document containing 2000 and 2001 actual amounts is not supported by the County Clerk's registers. For example, health insurance of \$19,903 in the General Revenue Fund for 2000 is reported twice; expenditures of \$26,609 are reported twice in the Road and Bridge Fund in 2000; and many other amounts reported did not agree with the payroll and distribution of expenditures registers. It should be noted that fewer variances were noted in 2001 indicating some improvement. Furthermore, bank charges, some jury fees and some interfund transfers are only recorded by the County Treasurer and are, therefore, omitted from the County Clerk's registers.

Disbursement testwork noted 4 of 60 untimely payment of warrants issued. Additionally, as disclosed in note 1.C. to the financial statements, warrants were issued in excess of budgeted amounts, and deficit balances were budgeted for some funds. Further, warrants were issued in excess of cash balances as follows:

	<u>2000</u>	<u>2001</u>
General Revenue Fund	\$101,321	\$65,388
Assessment Fund	26,807	0
Health Center	<u>28,273</u>	<u>8,026</u>
Total Deficit Spending	<u>\$156,401</u>	<u>\$73,414</u>

The balances of special revenue funds held by the county covered the deficit spending of the above funds, averting an overdraft of the bank account. However, special revenue funds are restricted by law to specific purposes.

Additionally, current procedures provide for the County Treasurer to reconcile the bank statements to the Treasurer's checkbook. This process precludes consideration of outstanding warrants. Therefore, audit attempted to reconcile the balances to the

Treasurer's final settlements, and to consider the outstanding warrants because they are deemed disbursed in the financial statements. The reconciliation to the final settlements resulted in variances of (\$147) and \$53 at December 31, 2001 and 2000, respectively. Reconciliation of warrants between the County Treasurer and County Clerk revealed the following variances:

	<u>General Revenue</u>	<u>Road and Bridge</u>
2000:		
Treasurer's checks paid	\$777,184	\$1,035,322
Outstanding warrants, 12/31/99	(57,874)	(136,985)
Outstanding warrants, 12/31/00	137,468	32,188
Treasurer's disbursements not recorded by County Clerk	<u>(16,401)</u>	<u>(60,958)</u>
Expected warrants issued	\$840,377	\$869,567
Variance	<u>3,637</u>	<u>71</u>
County Clerks' warrants issued	<u><u>\$844,014</u></u>	<u><u>\$869,638</u></u>
2001:		
Treasurer's checks paid	\$945,219	\$985,555
Outstanding warrants, 12/31/00	(137,468)	(32,188)
Outstanding warrants, 12/31/01	99,102	41,765
Treasurer's disbursements not recorded by County Clerk	<u>(10,933)</u>	<u>(37,985)</u>
Expected warrants issued	\$895,920	\$957,147
Variance	<u>1,554</u>	<u>2,255</u>
County Clerk's warrants issued	<u><u>\$897,474</u></u>	<u><u>\$959,402</u></u>

These misstatements and errors would be lessened by the use of a general ledger that provided budgetary comparisons. Proper budgetary and reconciliation controls would assist the county in complying with State statutes, including accurate reporting, timely payment of warrants, and assurance that the County Clerk and Treasurer reconcile fund activity and balances.

Similar issues had been noted in the prior audit.

WE RECOMMEND the County Clerk use the computer program to record all receipts and disbursements for each fund of the county, including bank charges, jury fees and interfund transfers. This register should also provide the actual balance per fund that is available to issue warrants against. This register would provide an independent source for the County Treasurer to reconcile the bank statements to. Until this can be fully implemented, we recommend the County Clerk ensure the mathematical accuracy and agreement of the warrant register to the distribution of expenditures and payroll registers no less than monthly. We also recommend the County Clerk provide the County

Commission with a monthly budget to actual comparison to assist in complying with budgetary and special revenue fund controls.

AUDITEE'S RESPONSE

The county will work on improving budgetary and reconciliation controls.

The Health Center had to remodel the new building in 2001 but knew a commitment from the bank was available to help finance the necessary repairs. This resulted in the deficit budget balance.

01-2 County Sales Tax

The county has not sufficiently reduced its property tax revenues by 50 percent of the sales tax revenues as provided in the ballot issue passed by the Caldwell County voters under the provisions of Section 67.505, RSMo 2000.

Following are the calculations used in determining excess property tax revenues collected for the year ended December 31, 2001:

	Year Ended December 31,	
	2001	2000
Actual sales tax revenues	\$ 207,674	\$ 201,049
Required percentage of revenue reduction	x 50%	x 50%
Required property tax revenue reduction	\$ 103,837	\$ 100,525
Assessed valuation	\$ 77,652,556	\$ 72,964,320
General Revenue Fund tax levy reduction (per \$100 of assessed valuation)	x 0.1238	x 0.1138
Actual property tax revenue reduction	\$ 96,134	\$ 83,033
Excess property tax revenues collected	\$ 7,703	\$ 17,492
Excess collected – 2000	17,492	
Excess collected – 1999	21,017	
Excess collected – 1998	1,889	
Excess at December 31, 2001	\$ 48,101	

Based upon the previous audit report, the county rolled back the property tax levy in 2001. However, the sales tax collections have continually increased each year causing the property tax roll-back to be insufficient.

WE RECOMMEND the County Commission reduce the property tax levy adequately to meet sales tax reduction requirements, including reductions for excess property taxes through 2001.

AUDITEES'S RESPONSE

In 2002 the county will roll-back the property tax levy further to comply with state regulations.

01-3 Excessive Interfund Transfer

In 2001 the county transferred \$19,030 from the Road and Bridge Sales Tax Fund to the General Revenue Fund for administrative purposes. The transfer was for 1999, 2000 and 2001. However, the transfer exceeded the 3 percent limitation imposed by Section 50.515, RSMo 2000 as follows:

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Budgeted expenditures	\$190,500	\$150,000	\$257,550
Maximum percent	<u>x 3%</u>	<u>x 3%</u>	<u>x 3%</u>
Maximum transfer allowed	\$ 5,715	\$ 4,500	\$7,726
Variance	<u>902</u>	<u>1,890</u>	<u>(1,703)</u>
Actual amount transferred	<u>\$ 6,617</u>	<u>\$6,390</u>	<u>\$6,023</u>

WE RECOMMEND the county reduce the administrative transfer in 2002 by \$1,089 or return \$1,089 to the Road and Bridge Sales Tax Fund.

AUDITEE'S RESPONSE

The county has returned the funds to the Road and Bridge Sales Tax Fund in 2002.

01-4 Procurement

The county and Health Center do not always solicit bids on purchases of \$4,500 or more as required by Section 50.660, RSMo 2000. Additionally, the county and Health Center do not document support for sole source procurements or reasons for not accepting the lowest bids.

WE RECOMMEND the county and Health Center solicit bids on items costing \$4,500 or more, and retain documentation supporting sole source procurements and acceptance of bids that are not the lowest.

AUDITEE'S RESPONSE

The county and Health Center will improve efforts to better document procurement actions in accordance with State regulations.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

01-5 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-through Entity	
Identifying Numbers:	Not Applicable
Award Years:	2000 and 2001
Questioned Costs:	Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

The county does not have procedures in place to adequately identify Federal assistance for the preparation of the SEFA. The county prepared a SEFA for the years ended December 31, 2001 and 2000; however, the information presented for most programs did not agree with the county's expenditure records. In addition, some program expenditures were omitted, including \$49,086 from the Federal Emergency Management Agency; \$6,560, \$4,712, \$500, \$808, \$34,482 and \$1,089 from the U.S. Department of Justice; and \$701 and \$314 from the U.S. Department of Health and Human Services.

Without an accurate SEFA, Federal financial activity may not be audited and reported in accordance with Federal audit requirements which could result in future reductions of Federal funds.

WE RECOMMEND the county prepare a complete and accurate schedule of expenditures of Federal awards to submit to the State Auditor's Office as part of the annual budget.

AUDITEE'S RESPONSE

The county and Health Center will better communicate with elected officials and pass-through grantors to accurately report Federal award activity.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

CALDWELL COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Caldwell County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 1999.

99-1 Financial Reporting

The county did not have procedures in place to ensure the county's budget documents were properly prepared and that they accurately presented financial activities of the county. Additionally, the County Clerk did not maintain a general ledger of revenue and expenditures but compiled the information required through receipt slips and manual registers.

Current Status: Not fully implemented. See current Schedule of Findings and Questioned Costs, finding 01-1.

99-2 County Sales Tax

The county did not sufficiently reduce its property tax revenues by 50% of the sales tax revenues as provided in the ballot issue passed by the Caldwell County voters under the provisions of Section 67.505, RSMo 1994, resulting in excess collections of \$22,906 as of December 31, 1999.

Current Status: Not fully implemented. See current Schedule of Findings and Questioned Costs, finding 01-2.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

CALDWELL COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

99-3 Schedule of Expenditures of Federal Awards

The county did not have procedures in place to adequately track federal assistance for preparation of the SEFA in that the information presented for most programs did not agree with the county's expenditure records. Additionally, some program expenditures were omitted from the schedule.

Current Status: Not implemented. See current Schedule of Findings and Questioned Costs, finding 01-5.